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CANADA

REPORT
OF THE
ROYAL COMMISSION

APPOINTED PURSUANT TO PART II OF THE
INQUIRIES ACT, CHAP. 99, R. S. 1927, AND UNDER
AUTHORITY OF AN ORDER IN COUNCIL OF
THE GOVERNOR GENERAL IN COUNCIL
MADE UNDER SAID ACT, DATED
AUGUST 16th, 1927

TO INQUIRE INTO PILOTAGE IN BRITISH
COLUMBIA WATERS

PRINTED BY ORDER OF PARLIAMENT

OTTAWA
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1928

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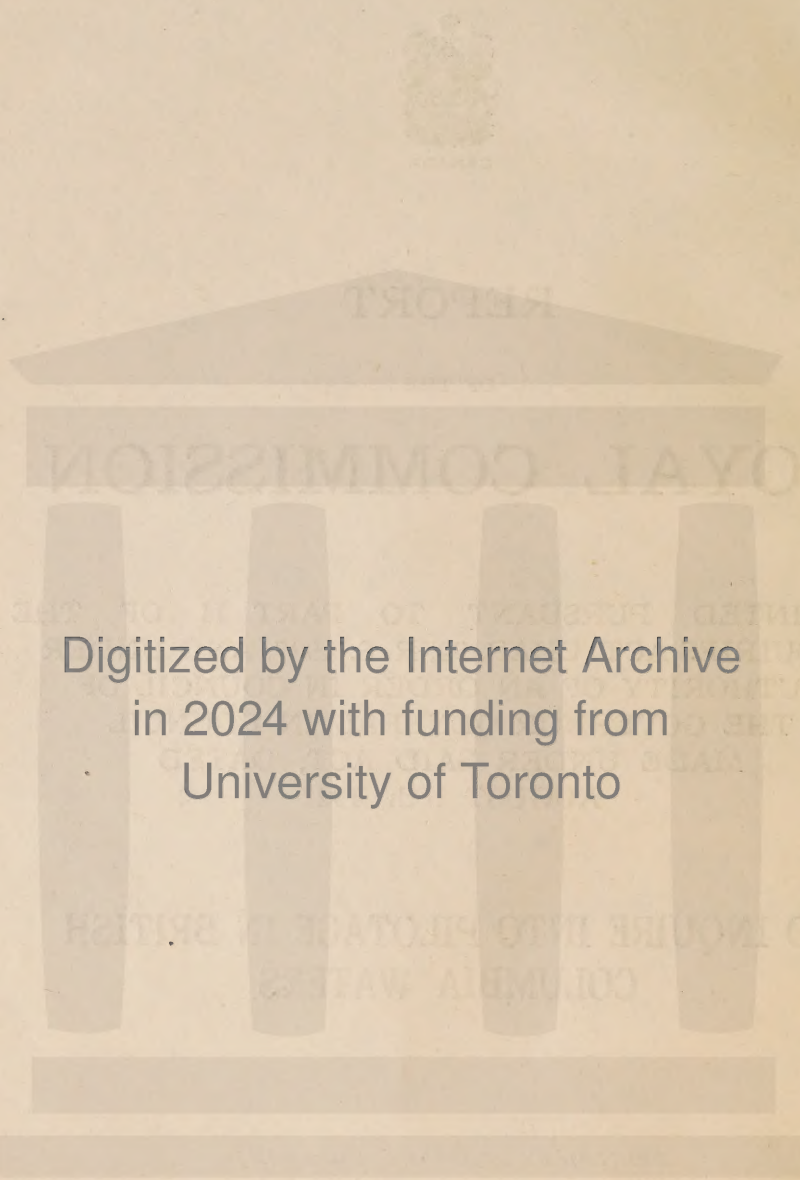
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**Report of the Royal Commission Appointed Pursuant to Part II of the
Inquiries Act, Chapter 99, Revised Statutes, 1927, and Under
Authority of an Order in Council of the Governor General in
Council Made Under Said Act, Dated August 16, 1927, to Inquire
Into Pilotage in British Columbia Waters.**

To the Hon. P. J. A. CARDIN, Esq., M.P.,
Minister of Marine and Fisheries,
Ottawa.

SIR,—I have the honour to submit the following report:—

A perusal of the evidence, a transcript of which is transmitted herewith, will abundantly show that there is an immediate necessity for the appointment of an authority with somewhat full powers to deal with the pilotage situation on the Pacific coast. To go beyond a compendious note of the proceedings would be supererogatory and, I fear, would savour of an attempt at dictating as to the policy to be adopted by that authority. Many, if indeed not all, of the phases of the question touched upon, are already, as it appears, known to the department and with which doubtless they are familiar as matter of record.

The first of the sittings was held at New Westminster, at which no evidence was then forthcoming. Another sitting was held there, however, when several witnesses appeared and dealt with the conditions prevailing on the Fraser river, to which later a reference is made. Sittings were held at Victoria, Nanaimo, Vancouver and Prince Rupert, which are what may be called all the pilotage centres, with the exception of Port Alberni. Mr. Neill, M.P., in whose constituency lies the last named growing port, intimated that a sitting there would not be necessary. At Prince Rupert, Mr. Brady, M.P., attended, participated in examination of witnesses, and in other generous respects facilitated the work of acquiring all the information of any practical value then available. Counsel instructed by various interests appeared at all those sittings watching the proceedings. It is due then to acknowledge that without their aid the sittings would no doubt have been greatly protracted.

Attached to the report is a memorandum handed in by Extra-Master Mariner H. Robson Jones, who has had twenty-five years' experience under the Vancouver Pilotage Commission, a few extracts from which are as follows:—

"That time has now come when no doubt proper "Pension," "Sick," and "Leave" allowances will be inaugurated, together with stable rules and regulations such as the pilot services East possess. In all these essentials, or most of them, the old services were lacking."

"Finally, a an old pilot, I would point out that piloting is a very strenuous life, and after a lengthy period at this work a man is unfitted for any other occupation. Therefore, it is very necessary that they should be safe-guarded in old age by a reasonable pension, as all the Eastern pilots are, and also all the other pilot services of the Empire."

"I also think it is essential for efficiency that there should be a liberal leave allowance every five years, because a pilot's duties call for day and night work. Sundays and holidays mean nothing to them. Therefore, to keep pilots healthily fit, leave allowances are essential."

No practical aid is to be derived from going farther back than the year 1913 in the narration of the incidents pertaining to pilotage in British Columbia waters.

In that year there were three pilotage districts, viz., Vancouver—including the Fraser river—Victoria and adjacent ports, such as Cowichan and the west coast of Vancouver island; Nanaimo and adjacent ports, such as Union Bay

and Ladysmith. In each district the payment of pilotage dues was compulsory. Each district had its own Board of Commissioners. The charges in each case being the same. In the Vancouver district each pilot was a shareholder. There was a joint ownership in the launches, pilot stations, office furniture and other equipment. The pilots were divided into four groups: First, Second, Third, and Probationary groups. Each group was paid salaries and travelling expenses. The profits were apportioned according to rank. The pilots took their turn with all ships except mail steamers, which were handled by men of the first class. During the period of the war, dissatisfaction with the service was pointedly manifested. The shipping interests particularly sought the abolition of compulsory pilotage. A Royal Commission was granted in 1918 and their report deals exhaustively with the statistics of the situation and other incidental matters, thus obviating their being dealt with here. Following the report of that commission the various local districts (except New Westminster) were consolidated into the Pilotage District of British Columbia, and the minister became the Pilotage Authority for the new district. The payment of dues continued to be compulsory. A superintendent of Pilots for British Columbia was appointed, under the control of the General Superintendent at Ottawa. Shortly thereafter the new district was disestablished. This had the effect of leaving pilotage open to any individual who cared to enter the calling, without any restrictions as to examination for fitness or as to licensing. The pilots then formed an association known as the British Columbia Pilotage Association, with an executive maintaining what appeared to be an efficient service. In the year 1921 was formed The Vancouver Pilots Limited. This group began to operate in 1922. Some members of the British Columbia Pilotage Association broke away from the parent body and formed the Independent Pilots Limited (1923-24). At the end of 1925 there were four pilotage bodies in British Columbia handling the pilotage work, viz., The British Columbia Pilotage Association, The Vancouver Pilots, The Independent Pilots, and the Fraser River Pilots operating in the district of New Westminster under a compulsory system established applicable to the Fraser river.

From 1920 up until the present time, a body of ship-masters and officers known as The Canadian Merchant Service Guild strove to amalgamate the pilotage bodies, and in 1926 a large percentage of them formed the Federal Pilots Limited of British Columbia, absorbing the British Columbia Pilotage Association. The Independent Pilots Limited, and the Vancouver Pilots Limited. Those pilots who declined to join this new organization formed a company known as the Canadian Pilots Limited. A few pilots, however, remained at large independent of all these bodies. Except in the New Westminster District, none of these pilots need hold a license to carry on his work in British Columbia waters.

The position as regards pilotage organizations up to and at the present time, stated compendiously, is as recited above.

Further fruitless efforts have been put forth from time to time by boards of trade, committees of pilots and shipping interests to bring about a com-pagination of these different competing and dissatisfied elements.

There is a consensus of opinion expressed by those who appeared before the commission that there should be an end to the present state of affairs. Various proposals have been formulated and submitted. As to some of these there was unanimity; such as the examination and licensing of pilots; the appointment of some central authority, the division of opinion as to the constitution of which is marked.

As to those points upon which differences of opinion were expressed, emerging from the mass of controversial submissions, there are two outstanding questions

which are susceptible of effectual termination and which should be dealt with speedily, viz., that of *Compulsory Pilotage* and that of *Choice Pilots*, with which is allied that of *Pooling*.

There were a number of other submissions made by what may aptly be called the shipping interests, and which in themselves may be fair and just, but which, in view of the body of evidence adduced, if sought to be employed, might prove to be too cumbersome, and could be made workable only if the pilots and they acted in unison. This contingency seems at the present juncture too remote to justify their incorporation in this Report.

Taking first the question of *Compulsory Pilotage*:—

The shipping companies may be taken by and large to be afraid of compulsory pilotage for various alleged reasons, chief of which, apart from their objection to the word "Compulsory," for which it is difficult to get a suitable euphonious synonym, appear to be:

(1) That the expeditious movement of ships might be hampered by what they term red tape regulations, which, as they allege, usually accompany Government operated services.

(2) That a Pilotage Board might be controlled by political appointees who probably would be unacquainted with shipping and its varied requirements.

(3) That the loss of the privilege of engaging choice pilots, and of setting off one pilotage company against another, as well as the loss of liberty of action if a shipping company desired to operate its own pilotage company for service or profit would follow. The unhappy or perhaps inappropriate phrasing of some of these grounds should not be a circumstance against the general idea involved.

It appears that when compulsory pilotage was in force there were frequent occasions when vessels going to a nearby port in the straits of Georgia had to take on the service of three different pilots, each one of whom had to take the ship a certain distance. It was pointed out that such a system entailed unnecessary expense, irritation and dissatisfaction both to the master and shipowners. When the various districts were consolidated this difficulty was overcome.

The trend of the evidence of those favouring compulsory pilotage was based on the hypothesis that if the system could be operated by a sane, business-like board who would not be susceptible to red tape influence and would be relied upon to be fair and free from arbitrary decisions, then it should be adopted. I extract further from this evidence of those favouring compulsory pilotage (by which they mean compulsory payment of pilotage dues on all except exempted ships—section 457, Canadian Shipping Act) that their submissions are also used on the following expectations:—

(1) That the present cost of maintaining an efficient pilotage service would be reduced. There are at the present time several pilotage companies operating, each of which has an organization at Victoria, a by-port, with expensive and fast launches, which are sent out into the gulf and straits of Fuca to get the pilotage business of incoming ships. Keen competition has developed entailing unnecessary expense for the defraying of which provision must be made in the pilotage rates. Some of the shipping companies, taking advantage fairly enough of this situation, have men on regular salary acting as pilots, but when these companies get exceptionally busy, as often happens, they have to call for assistance on one of the group of pilots who go to the expense of maintaining a regular service and equipment.

(2) That it would enable the pilots to get more fair and dignified treatment commensurate with their calling.

(3) That it should do away with alleged irregularities or complaints in that no shipowner would be penalized at the expense of another.

The comment on this is that compulsory pilotage so-called practically exists at the present time. No prudent shipowner will deny his captain the privilege of engaging the services of a pilot. Sometimes in clear weather a ship's Captain will bring his vessel right into the harbour of Vancouver without a pilot, not with the intention of saving his owners the expense. To prevent his owners complaining against other captains of the same fleet for taking pilots in clear weather, he may agree that the full pilotage be paid provided it is split with him or perhaps for him to get the larger share. Whatever reason as may be urged in favour of compulsory pilotage where the pilots and not all getting practically the whole of the work available, such a system can afford little if any additional benefit in places where they are fully employed.

Another phase which arises is the case of (some) American vessels using the port of Vancouver only employing pilots when the weather is thick, and dispensing with such services when the conditions are suitable. Whilst other ship-owners recognizing the necessity of having pilots at all times in these waters employ them regardless of weather conditions. This haphazard use of pilots by American ships is another cause of dissatisfaction among the local pilots, and will cease upon the adoption of a system of licensing.

On the question of compulsory and free pilotage, the following extract from the departmental Report on Pilotage in the United Kingdom, 1911, is information:—

"It has been suggested to us that sometimes it occurs that masters are not left as free or unfettered as they should be to decide whether or not they will take a pilot, and this is to some extent supported by the Imperial Merchant Service Guild, who informs us that 'It is frequently the case, particularly in ports in the United Kingdom, that if masters engage the services of pilots when pilotage is free they are themselves mulcted in the costs incurred by engaging such pilots.' While not suggesting that the undesirable practice of putting pressure on the master or the illegal practice of putting pressure upon pilots is in any way universal, it is undoubtedly true that a free system of pilotage particularly lends itself to these abuses, abuses which no legislation can effectively prevent and which are in themselves a source of danger, leading to risks being run by those persons least qualified to take them. Moreover, it is in connection with ships not subject to compulsory pilotage that the undesirable practice of unlicensed men acting as pilots prevails."

Again, quoting from the evidence of Lord Gorell, formerly President of the Admiralty Division of the High Court in England:—

"To prevent risks being improperly run and to induce the maintenance of an adequate service of pilots, it is, in my opinion, both in the interest of the State and of shipowners, masters, pilots, and others, that pilotage should be made compulsory in every port where a pilotage system is reasonably necessary."

Choice Pilots, with which pooling is interlocked. Some of the larger ships entering the port of Vancouver employ special, or, as it has been termed, Choice pilots, whose services are supposed to be used exclusively by these companies. The earnings of these Choice pilots are not distributed or pooled with the other pilots. Objection has been lodged against this system on behalf of the other pilots. I again beg to draw on the report of the Parliamentary Commission *supra* as fitting exactly the objection raised before me:—

"The drawback to the system of choice pilotage may be mainly twofold. There is the possible danger, firstly, of causing great inequality in the earnings of the pilots of the port, and secondly, of introducing an objectionable amount of patronage and even of corruption. When a choice pilot has more work than he can do himself he may exercise his influence to obtain the surplus work for other pilots. That objectionable practices of this kind were allowed to exist in the London District before measures were taken by the Trinity House to check them may be gathered from the evidence...."

Besides all this, it is pointed out by the other pilots that the choice pilots get their work free from the delays and uncertainties of employment to which the cruising pilots are subjected. They can as well take their turn the same as the cruising pilots.

"The system of choice pilotage provided at Liverpool is thus described in the answers of the Liverpool Pilotage Authority to our circular:—

"The system under which pilots are appointed by the Mersey Board to serve exclusively on board ships belonging to steamship lines at Liverpool has worked very satisfactorily for many years, and, in the opinion of this board, should be continued. The appointment of "special pilots" (referred to at this port as "appropriated pilots") has proved to be a great convenience to shipowners, and the arrangement has the approval of the pilots themselves generally. The pilotage earnings of an appropriated pilot do not go to the individual, but are carried to a common fund with all other pilots' earnings, which are divided amongst the whole of the pilots in the service in equal proportions, according to class. A shipowner who has an appropriated pilot guarantees that his annual pilotage earnings will reach a certain amount, and he makes good any deficiency at the end of each year."

The reasons why the majority of the Liverpool pilots approve the system are stated in the evidence given before that commission:—

"The principles have been laid down by two of the most eminent pilotage authorities in the Kingdom the Trinity House and the Mersey Dock and Harbour Board. The Trinity House laid down this important principle. They said pilotage rates are intended not for the remuneration of the men alone, but for the maintenance of this system, of the cruising system of pilots, which is intended to be maintained at Dover or Dungeness. That is the express purpose which the authors of pilotage rates contemplated, that is, providing pilots by night and by day for vessels that require them. The Mersey Docks and Harbour Board in a letter to the Board of Trade laid down another very important principle, which has never been controverted, or any attempt made to controvert it. It says that every appropriated pilot holds an appointment as an appropriated pilot, not for his own individual advantage and emolument, but for the benefit and convenience of the shipowner to whom he is attached."

The evidence goes on to point out that, so far from the appropriated pilots competing with or superseding the rotary or cruising pilots, the two classes are essential to such a trade as that of Liverpool, so that the cruising pilots cannot be dispensed with by the great lines, who are also the largest employers of the appropriated pilots.

Pooling. It has been objected to this system that the division of earnings amongst all the pilots would lower the pay of the most capable and experienced ones to the level of the less industrious and experienced, thus tending to lower the standard of efficiency and check healthy competition. That might apply with some degree of force, if at all, where it was sought to effect an equal distribution. Pooling has been adopted in many pilotage areas with advantage to the service—indeed in British Columbia the largest of the above-named efficient pilotage groups has voluntarily adopted it and apparently it works satisfactorily both to themselves and the pilotage service at large. The evidence on this phase of the controversy points largely against free competition in pilotage as being unnecessary and not tending to efficiency.

Any system of pilotage is maintained for the benefit of shipping and entails large expenditure by way of organization and equipment. The service of pilots must at all times be available and must at all times be efficient. During clear weather and other favourable conditions, ships may or may not take on a pilot, whereas in bad weather or under other unfavourable conditions all ships look for efficient service and expect it to be available. Pilots have complained that even in tempestuous weather they have gone long distances and remained long periods under distressing conditions and to be then refused. These conditions tend to discourage competent and efficient men to continue in this line of work or to induce young men to enter it.

Since the report of the last Royal Commission, to which reference has already been made, the foreign seaborne trade from the British Columbia ports, and particularly that of Vancouver, has grown out of all proportion to expectation. Even although the various systems in vogue may have worked satis-

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factorily in the sense that they may have tended to develop an efficient permanent service, yet there is need from time to time to adjust and readjust any system to the exigencies of the times. There are more factors in the problem than either the pilots or the shipping men. There are the other business and public interests, taking only two as an instance, viz., the Harbour Board, and such companies as the Canadian Pacific Railroad Company, which is carried on not only as a great railroad system, but as water carriers and dock-owners, serving the ports, maintaining and developing an extensive, growing ocean and coastal service. All the British Columbia ports served by pilots are tributary to the vast timber and mining areas of the province. They are also being utilized in a rapidly increasing way as entrépôts for the hinterland (in a maritime sense) of the grain-producing provinces of Alberta and Saskatchewan. This justifies the expectations now being realized of great increase in trade. The leading shipping interests resorting to these waters employ experienced navigators, and were not in some cases the element of "making time" considered, impelling them to make port expeditiously, they all could readily dispense with the services of pilots. Prudence and the demands of marine insurance companies, however, dictate the necessity for their employment. Hence the necessity for their existence and for pilotage to be placed upon a workable and properly organized basis.

Conditions on the Pacific coast differ in some important respects from those prevailing on the Atlantic coast. There, it seems, the pilots are recruited largely from young men whose livelihood is gained from the coastal fishing industry and who are possessed of knowledge of local waters. In British Columbia, the pilots, most of whom have had long experience in the merchant and naval services as well as in coastal waters, are men who have come here into the service—with one exception—from different parts of the Empire.

From the evidence, it appears that the majority of the shipowners, and shipping agents, are opposed to the compulsory payment of pilotage dues being imposed at the various British Columbia ports; and that the majority of the pilots are in favour of it; that the shipping interests and some of the pilots are in favour of the creation of a pilotage authority under the Shipping Act with power to grant licences to pilots under a non-compulsory system.

It was admitted by several pilots of long experience in these waters that there is great difficulty in arriving at any solution of the present situation so as to bring about a system which would be entirely satisfactory to the pilots, the shipping men and the port interests.

The present state of affairs as regards pilotage in British Columbia waters, although it has not as yet resulted in any marked detriment to the ports in question, is not one which in its tendencies conduces to the betterment of the service in the future and is recommended to be superseded. Therefore, in the hope which may not altogether be vain, and with a view to an ultimate settlement of the existing admittedly unsatisfactory state of pilotage, and to securing an adequate minimum remuneration to each pilot, and to the building up of an efficient service which would meet the approval of shipowners and shipping agents, uniting the pilots in a friendly spirit, all working in harmony, the following recommendations are respectfully submitted:—

- (1) That the present system in vogue on the Fraser river be continued there, new by-laws to be substituted for the present somewhat obsolete ones.

- (2) That a pension fund be created which would admit of the older men dropping out.

- (3) That the Pilotage District of British Columbia be again brought into existence with non-compulsory payment of pilotage dues. This to apply to the whole system. Prince Rupert does not appear to have been mentioned in this

old district. From about 1910 on Prince Rupert waters were served by pilots from the southern ports. Now the Prince Rupert, the Portland canal ports and that of Queen Charlotte islands have become of importance in the trade routes of the Pacific, a new district should be established which should be known as the Prince Rupert District, including the above-named ports and extending south as far as Queen Charlotte sound. The number and distribution of the pilots to be left to the pilotage authority.

(4) That general working by-laws be prepared under the authority of the minister and before being promulgated to be considered by a representative of the shipping men, pilots, and the department on the basis used in other ports in Canada. It was also submitted that the present book rates of pilotage, which are really the prevailing rates less 10 per cent could be cut 15 per cent or 20 per cent if the control was taken over by the Government as in 1920, by centralizing the various overhead expenditures, and still provide a salary for a superintendent, as suggested by one of the pilots, giving each pilot a salary of not less than \$400. In summer the return would probably be short of this amount by 25 per cent, but in the winter months would more than make it up. The shipping operators by securing this reduction could remunerate the choice pilots privately out of this reduction, and yet retain a regular rate and pooling system. This submission is recommended to be taken as a tentative basis at least.

(5) That the department appoint and pay for a superintendent only, all other expenses for the maintenance of the Service to come out of the revenue of the district, which must be self-supporting.

(6) That all pilots and candidates for pilots licence be examined as to their competency, technical knowledge and ability, by the superintendent together with the Examiner of master and mates and the port physician under regulations to be set out in the by-laws. The main qualification to be a master's certificate of competency, with at least three years' service as master of a vessel in British Columbia coasting trade. Only licenced pilots to be permitted to operate in the district. The superintendent to be empowered to distribute the pilots equably, according to the exigencies of the service, between the ports of Victoria, Vancouver, Nanaimo, Prince Rupert and Alberni.

(7) That the earnings of the pilots, whose number should be limited, be pooled on a basis to be worked out by the pilotage authority. In that event, it would not be expected that there would be an equal pooling of income, nor should choice or special pilots expect to take the whole of their earnings. Otherwise it would be difficult to secure to the lowest paid pilot an income that would attract the best men from our coastwise ships, a source from which new men are usually recruited into the pilotage work. That the system of choice pilots be continued, subject to the supervision and regulations that may be provided in by-laws. It is suggested that the system adopted at Liverpool, as outlined above, should be considered as at least a tentative basis. Pension, sick and leave allowances should be inaugurated. An alternative recommendation was advanced, that instead of pooling, each pilot should have a fixed proportion of his fees deducted for purposes of augmenting the minimum wage fund, sick benefit scheme, and administration expenses. That all pilots' fees be paid in the first place to the superintendent, thus combining both the beneficial features of co-operation and competition.

In making these recommendations your commission is fully alive to the care that must be taken in effecting a change in any system, and the risk of embarking on another which is not wholly untried.

Another matter that was brought up in Victoria and Vancouver is that relating to the present "system" of inquiry into marine casualties. The Deputy

Wreck Commissioner at Victoria appeared and stated that his powers of initiating inquiries into casualties are too circumscribed. The Shipping Act, however, gives full details as to the scope of the Wreck Commissioner's powers, and, if properly understood, they are designed to meet all the usual contingencies. The "system" does not appear to be open to any reasonable objection. The complaints suggested by counsel on behalf of the Canadian Legion of the British Empire Service League were directed against the Deputy Wreck Commissioner personally in certain designated instances of casualties and which complaints, in the form in which they were presented, were not considered to be within the scope of the terms of the Commission, and need not, therefore, be referred to further.

The pilotage of the Fraser river in the New Westminster District stands on a different footing from that of the other districts.

The substance of the evidence of the few witnesses who appeared at the final sittings of the commission there, related mainly to matters of local administration and to the personnel of the pilotage group serving the river. The channels of the delta of the Fraser carry so much silt throughout the year that they are constantly shifting. It is necessary for the few pilots employed to be thoroughly familiar with these local conditions. As it has been put by some of the witnesses, it is "a matter of pilotage apart from navigation." This district has had, for a long period, a commission of three citizens. The system under which pilotage affairs have been carried on appears to have worked on the whole very satisfactorily. Several experienced old pilots, however, including Captain Boyd, gave evidence to the contrary. Your commission does not deem it necessary to make any recommendation as to the Fraser river. Any differences that may exist there are easily susceptible of adjustment. From the material filed with the commission it would seem that the overtures of Captain Boyd are on record in the department as well. The shipping men and pilots in this district appear to be satisfied to have the present system continued. The board are handicapped by working under by-laws which should be replaced by new ones prepared with a view to conform to present conditions.

All of which is respectfully submitted.

AULAY MORRISON,
Commissioner.

VANCOUVER, B.C., December 20, 1928.

